

enough has changed since his accession so that the responsibility now is his. For whatever he decides, Johnson and only Johnson must accept the credit—or the blame.

FOREIGN TRADE

Dramatic Flourish, Empty Gesture

With a dramatic flourish, the Johnson Administration last week announced that it was cutting off existing U.S. military aid to Britain, France and Yugoslavia, banning new aid to Spain and Morocco. The reason: all five are trading with Castro's Cuba. But the dramatic flourish was, in fact, little more than an empty gesture, since the U.S. is not giving, and does not propose to give, any of the five enough aid to influence

Presumably realizing that the aid bans would have little or no effect, Secretary of State Dean Rusk last week seemed to give at least tacit approval to another reprisal tactic. Asked if he thought American consumers might boycott products made by foreign firms also selling to Cuba, Rusk replied: "We don't ourselves plan to organize any boycott against the goods of countries engaged in that trade. I think it is possible there may be some consumer reaction in this country with respect to firms that specifically engage in that trade."

Florida's Democratic Representative Paul Rogers suggested that Britain's Leyland Motors, which last year sold some 21,000 Triumph cars in the U.S., might be a fine starting point for a

U.S. allies still insist that the wheat deal was a go-ahead signal—and trade with Communism is busting out all over. Western nations adhere to a narrow list of some 120 items prohibited as being militarily strategic. But beyond these, the sky's the limit. France is planning a five-year trade treaty with Russia, hopes to sell the Soviet Union a petroleum refinery, chemical and rubber plants, and steel pipe; it expects to increase its purchases of Soviet crude oil from 550,000 to 900,000 tons a year. France also has agreed to deliver a synthetic-alcohol plant to Red China, will display its precision equipment in Peking next fall. Italian firms plan to build a \$160 million synthetic-fiber plant and a construction-materials plant in Russia; the Italian and Soviet govern-



CUBA-BOUND TRUCK IN SPAIN



CUBA-BOUND BUSES IN BRITAIN

For diplomats, a nightmare; for merchants, more money.

their trade policies. As it turned out, all the announcement did was highlight the breakdown of the trade embargo that the U.S. has tried to impose on Cuba.

Britain's Leyland Motors Limited is under a \$10 million contract to send Cuba 400 buses, and Castro has an option to buy 1,000 more. British ships have made 145 trips to Cuba in the past 14 months. France is negotiating a \$10 million truck deal with Castro. Spain has already sold 150 trucks to Cuba, has a pending deal to sell 100 fishing ships and two freighters. Yugoslavian cargo ships make the island a port of call. Three Moroccan freighters take phosphate rock, cork, sardines and manufactured goods to Cuba, return with Cuban sugar scheduled to amount to 250,000 tons this year.

Against Boycotts. All these nations are flouting the U.S.-imposed embargo for a very simple reason: they see profit in it. And as against that prospect, the Johnson action in cutting aid appears to be small potatoes: a mere \$7,400 to Britain; \$28,000 to France; nothing to Yugoslavia, whose aid was actually suspended last year; and only the threat that future aid to Spain and Morocco may be withheld.

consumer boycott. There were bleats from abroad, and a State Department spokesman later swallowed Rusk's words. "The U.S.," he said, "does not favor consumer boycotts."

The Deal. When scolded for their willingness to trade with Castro, most U.S. allies have a ready answer. For one thing, they see little difference between Cuba and any other Communist country; they simply do not understand the particular resentment of the U.S. toward Castro. And feeling that way, they are quick to note that it was really the U.S. which led the way to increased trade with Communism in its \$300 million wheat deal with Russia.

That deal, which seemed to many at the time a convenient way to unload part of the U.S. wheat glut, has since become a major political issue. Republican Senate Leader Everett Dirksen has denounced it as "a diplomatic nightmare," which has "undermined our leadership of the free world." Nonetheless, the U.S. freighter *Exilona* carried the first shipload of the grain into the Black Sea port of Odessa last week. After the icy voyage, American seamen had hoped to warm up in Soviet nightspots, instead were guided to a tour of a collective farm.

ments have agreed to increase trade by 50% beginning in 1966.

Scatter Shot. Most irksome of all to the U.S., British firms are negotiating to sell Russia some \$280 million worth of chemical, fiber, fertilizer, and synthetic-rubber plants at 20% down, the balance to be paid over as many as 15 years. Official U.S. policy holds that it is generally O.K. to trade with Communist countries—except, of course, Cuba and Red China—but the U.S. remains dead set against such long-term credits. These credits, the U.S. argues, are a form of economic aid that permits Russia and other Communist countries to build their consumer economies without substantial diversion from military funds.

The fact is that U.S. policy about trade with Communism is a scatter-shot proposition that hits allies as well as enemies but seriously wounds no one. If it is ever going to be effective, it needs an overall reassessment, followed by some clear explanations. That reassessment will probably have to come out on the side of increased trade, with a tacit admission that the Cuban embargo is a flop. But in a presidential election year, that may be impossible for politicians to explain.